

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
: Case No. 05-44481 (RDD)
Delphi Corporation, et al., : (Jointly Administered)
Debtors. :
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**DECLARATION OF GREGORY P. JOSEPH IN SUPPORT OF THE
APPLICATION FOR AN ORDER (I) AUTHORIZING EMPLOYMENT AND
RETENTION OF GREGORY P. JOSEPH LAW OFFICES LLC
AS CONFLICTS COUNSEL TO OFFICIAL COMMITTEE OF EQUITY SECURITY
HOLDERS AND (II) SCHEDULING FINAL HEARING THEREON**

Gregory P. Joseph declares pursuant to 28 U.S.C. § 1746 that:

1. I am a member of the law firm of Gregory P. Joseph Law Offices LLC (the “Joseph Firm”) located at 485 Lexington Avenue, 30th Floor, New York, New York 10017. I make this declaration (the “Declaration”) in support of the application dated November 13, 2007 (the “Application”) of the Official Committee of Equity Security Holders (the “Equity Committee”) in these chapter 11 cases (the “Chapter 11 Cases”) of the above captioned debtors and debtors in possession (collectively, the “Debtors”) seeking interim and final orders authorizing the retention of the Joseph Firm as conflicts counsel to the Equity Committee in compliance with §§ 328 and 1103 of title 11 of the United States Code (the “Bankruptcy Code”) and to provide the disclosure required under Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). Unless otherwise stated in this Declaration, I have personal knowledge of the facts hereinafter set forth. To the extent that any information disclosed herein requires subsequent amendment or modification upon the Joseph Firm’s completion of further

analysis or as additional information becomes available to it, one or more supplemental declarations will be submitted to the Court reflecting the same.

Qualification of Professionals

2. I am a member in good standing of the bar and every jurisdiction to which I have been admitted to practice, including: (a) the State of New York; (b) the State of Minnesota; (c) United States Court of Appeals for the First Circuit; (d) United States Court of Appeals for the Second Circuit; (e) United States Court of Appeals for the Fifth Circuit; (f) United States Court of Appeals for the Sixth Circuit; (g) United States Court of Appeals for the Seventh Circuit; (h) United States Court of Appeals for the Eighth Circuit; (i) United States Court of Appeals for the Eleventh Circuit; (j) United States Court of Appeals for the Federal Circuit; (k) United States Court of Appeals for the District of Columbia; (l) United States District Court for the Southern District of New York; (m) United States District Court for the Eastern District of New York; (n) United States District Court for the District of Minnesota; (o) United States Supreme Court; and (p) United States Tax Court.

3. I am informed that the Equity Committee selected the Joseph Firm because of our experience in the field of complex financial litigation, including securities fraud, RICO, mergers and acquisitions, intellectual property, corporate governance, fiduciary duty, federal taxation, business torts, insurance coverage and complex contract actions. Since August 2007, we have been engaged to provide litigation advice in connection with several multibillion lending transactions affected by events in the capital markets this year. I have practiced in the federal courts of the United States for more than 30 years. I am a Fellow of the American College of Trial Lawyers and a member of its Executive Committee. I am a former Chair of the 60,000-member Section of Litigation of the American Bar Association. By appointment of then-Chief

Justice William Rehnquist, I served on the Advisory Committee on the Federal Rules of Evidence from 1993-99. I served as Chair of the New York State Courts' Committee of Lawyers to Enhance the Jury Process by appointment of New York Chief Judge Judith Kaye, and I was appointed Co-Chair of the Third Circuit Task Force on Selection of Class Counsel by appointment of then-Chief Judge Edward R. Becker. I formerly was a partner at the firm of Fried, Frank, Harris, Shriver & Jacobson LLP, and Chair of its Litigation Department in New York, which I left in March 2001 to form the Joseph Firm. I am the author of three legal treatises (SANCTIONS: THE FEDERAL LAW OF LITIGATION ABUSE (3d ed. Supp. 2007); CIVIL RICO: A DEFINITIVE GUIDE (2d ed. 2000); and MODERN VISUAL EVIDENCE (Supp. 2007)), and more than 100 articles in professional journals. These books and articles have been cited in more than 150 court decisions, 250 law review articles, and the Advisory Committee Notes to the Federal Rules of Evidence and the Federal Rules of Civil Procedure. I am a member of the Editorial Board of MOORE'S FEDERAL PRACTICE. I have lectured for the Federal Judicial Center and National Judicial College; and I have lectured at the Judicial Conferences of the First, Second, Third, Fifth, Seventh, Eighth and Ninth Circuits, U.S. Tax Court and U.S. Court of Claims. I formerly served as Chair of the Committee on Professional Responsibility of the Association of the Bar of the City of New York and currently sit on the Advisory Board of the Stein Center of Law and Ethics at Fordham Law School.

4. There are a total of 12 lawyers at the Joseph Firm (one pending admission). My colleagues include another Fellow of the American College of Trial Lawyers and former Chair of the Section of Litigation of the American Bar Association who was Chair of the Litigation Department at White & Case; three former federal judicial law clerks; a former corporate General Counsel and Assistant Attorney General of the State of New York; a former JAG trial

lawyer and Ford Foundation Scholar; a Fulbright Scholar; and a JD/PhD. All are experienced in complex financial litigation.

Services to be Rendered

5. The Joseph Firm is expected to render legal services in matters that may not be handled by Fried Frank due to conflicts of interest or is otherwise unable to represent the Equity Committee. Those matters will include taking discovery, including depositions, and testimony from Appaloosa Management LP in connection with the Equity Committee's pending objection to the proposed amendment to the Delphi-Appaloosa Equity Purchase and Commitment Agreement and the Debtors' Disclosure Statement. In addition, it is expected that the Joseph Firm's services may include, without limitation, assisting, advising and representing the Equity Committee with respect to certain other matters.

Professional Compensation

6. The Joseph Firm is willing to serve as conflicts counsel to the Equity Committee in these cases and to receive compensation and reimbursement in accordance with its standard billing practices for services rendered and expenses incurred on behalf of the Equity Committee in accordance with the provisions of §§ 328, 330 and 331 of the Bankruptcy Code or as otherwise ordered by the Court. The Joseph Firm's billing practices and rates are summarized below and are consistent with those generally governing the Joseph Firm's representation of its other clients.

7. The principal attorneys expected to represent the Equity Committee in this matter and their current hourly rates are: Gregory P. Joseph (\$850), and Peter R. Jerdee (\$600). In addition, other attorneys and para-professionals may, from time to time, provide services to the

Equity Committee in connection with these Chapter 11 Cases. The range of the Joseph Firm's hourly rates for its attorneys and paralegals is as follows:

- a. Paralegals: \$150 per hour
- b. Associates: \$295- \$480 per hour
- c. Partners and Counsel: \$575 - \$850 per hour

8. The Joseph Firm's hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Such changes will be noticed. The Joseph Firm has not received a retainer.

9. The hourly rates set forth above are the Joseph Firm's standard hourly rates. They are set at a level designed to fairly compensate the Joseph Firm for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses.

10. The Joseph Firm's hourly billing rates for professionals are not intended to cover out of pocket expenses that are typically billed separately. Accordingly, the Joseph Firm regularly charges its clients for the expenses and disbursements incurred in connection with the client's case. The expenses charged to clients include, among other things, long distance telephone and fax charges, mail and express mail charges, special or hand delivery charges, document retrieval, photocopying charges, travel expenses, computerized research, transportation costs, as well as extraordinary expenses such as staff overtime. With regard to all expenses for which reimbursement will be sought, the Joseph Firm will comply with all rules and orders applicable to these Chapter 11 Cases.

Disinterestedness of Professionals

11. Although § 1103 of the Bankruptcy Code does not require professionals employed by the Equity Committee to meet the "disinterested person" standard set forth in § 101(14) of the Bankruptcy Code, the Joseph Firm has nonetheless, in connection with this

proposed retention and for the purpose of confirming that the Joseph Firm has no conflicts, reviewed the names of the Debtors, their fifty (50) largest unsecured creditors, their pre and post-petition lenders, other significant parties and the United States Trustee to determine whether the Joseph Firm has connections to such parties and if so, whether such connections relate in any way to the proposed representation of the Equity Committee in the Chapter 11 Cases. The Joseph Firm has also conducted a routine conflict check with regard to Appaloosa and the members of the Equity Committee. Based on this review, it appears that the Joseph Firm does not hold or represent any interest adverse to and has no connection with the Equity Committee, the Debtors herein, their creditors or any party-in-interest herein in the matters upon which the Joseph Firm is to be retained, except as follows:

a. On entirely unrelated matters, we currently represent (i) Citigroup and certain affiliates, including Citigroup Global Markets, Inc. (formerly Salomon Smith Barney); (ii) Lloyd's of London; (iii) Marsh & McLennan Companies, Inc., and certain subsidiaries, including Marsh USA Inc.; (iv) IRI (formerly a subsidiary of General Electric and now a subsidiary of Swiss Re); and (v) The Hartford.

b. On entirely unrelated matters, we previously represented (but do not currently represent) TCF Financial Corporation, the Board of Directors of Bank One Corporation, a former director of Qwest, and certain law firms whose names appear on the lists we reviewed.

12. Consequently, insofar as I have been able to ascertain and subject to the disclosures contained in this declaration, neither the Joseph Firm, nor any member or associate of this Firm, represents any interest adverse to the Debtors, or their estates, in matters which the

Joseph Firm is to be engaged. Accordingly, I believe the Joseph Firm is a "disinterested person" within the meaning of § 101(14) of the Bankruptcy Code.

I declare under penalty of perjury that the foregoing is true and correct. Executed in New York, New York, this 13th day of November, 2007



Gregory P. Joseph